GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:407
ANSWERED ON:01.12.2015
New Crop Insurance Scheme
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Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether the existing crop insurance scheme does not completely safeguard the interests of the farmers, if so, the details thereof along with the deficiencies identified therein;

(b) whether the Government has received any reports from the Farmers unions and State Governments in this regard, if so, the details thereof;

(c) the number of crop insurance units and the details of the crops covered under these schemes including horticulture and its produce and the number of farmers benefited under these schemes during the last three years and the current year, State-wise, scheme-wise;

(d) whether the Government is contemplating to launch any new crop insurance scheme so that the farmers can be benefited;

(e) if so, the details thereof including its advantages and the time by which it is likely to be implemented;

(f) whether the Government is considering to revise the pattern of crop insurance from block to individual insurance, if so, the details thereof; and

(g) the details of the amount dispersed to the farmers during the last three years and current year, State-wise, year wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a): Recently, various improvements / changes have been made in the yield index based Modified National Agricultural Insurance Scheme (MNAIS), weather index based Weather Based Crop Insurance Scheme (WBCIS) & crop specific Coconut Palm Insurance Scheme (CPIS) and an umbrella central sector scheme in the name of 'National Crop Insurance Programme' (NCIP) has been introduced by merging MNAIS, WBCIS & CPIS throughout the country from Rabi 2013-14. The foresaid schemes provide comprehensive risk coverage against natural calamities and adverse weather conditions. However, following issues have been identified in the Modified National Agricultural Insurance Scheme (MNAIS) and Weather Based Crop Insurance Scheme (WBCIS) components of NCIP :-
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(i) Increase in the farmers' share of premium.

(ii) Reduction of Sum Insured due to capping on actuarial premium under MNAIS and WBCIS

(iii) Increase in number of Crop Cutting Experiments.

(iv) High Variability in premium rate between neighboring districts under MNAIS.

(v) Higher premium in districts having high risk.

(vi) Difficulties faced by the States in allocation of districts/areas to insurance companies.

(b): Inputs/suggestions for implementation and improvement in the existing crop insurance are regularly being received from various stakeholders including Farmers Unions and State Government regarding reduction of farmers share of premium, assessment of yield losses at individual farm level, early settlement of claims etc.

(c): The crop insurance schemes are being operated on the basis of 'Area Approach' i.e. defined areas. The defined unit area may be Mandal, Hobli, Circle, Firka, Block, Taluka, Gram Panchayat, village etc. under National Agricultural Insurance Scheme (NAIS) which is decided by the implementing State Government/Union Territory for each notified crop, subject to the condition that State/UT has the capacity to undertake requisite number of Crop Cutting Experiments (CCEs) under single series, for making assessment of yield and

capacity for making available adequate past yield data. However, defined unit area of insurance has been reduced to village panchayat/village level for major crops under Modified NAIS. Insurance unit area under WBCIS is notified by the State Government according to availability of weather stations.

NAIS & MNAIS covers all food crops (cereals, millets & pulses), oilseeds and annual commercial/horticultural crops, in respect of which past yield data is available for adequate number of years. Only perennial horticulture crops are not yet covered under NAIS. Under pilot WBCIS, perennial commercial/horticultural crops may also be covered besides the crops covered under NAIS, MNAIS. CPIS covers coconut palm. The numbers of farmers insured & benefitted under NAIS, MNAIS & WBCIS from Kharif 2012 to Kharif 2015 are annexed.

(d) to (f): Improvement in crop insurance schemes to make these more scientific in order to better serve the interests of the farmers, is a continuous process and steps are taken in this regard by the Government from time to time. Government has reviewed the existing National Crop Insurance Programme (NCIP) in consultation with various stakeholders including State Governments specially with regard to farmers share of premium, early settlement of claims and rationalization of insurance unit and crop cutting experiments.

Due to non-availability of infrastructure and other operational difficulties in its implementation at individual level, the schemes is being implemented on area approach basis for wide spread calamities but assessment of losses at individual farm level is done for localized calamities like Hailstorm, landslide, etc. under MNAIS.

(g): The State-wise details of the claims disbursed to the farmers during last three years under NAIS, MNAIS & WBCIS are annexed as stated above in the reply of part (c) of the question.